

Ministry of Commerce and Industry

Companies Affairs Department

Ref. No.: 2260/2021

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Circular No. (7) of 2021

On the Responsibilities and Tasks of Compliance Officers and Deputy Compliance Officers at Auditors, Dealers in Precious Metals or Precious Stones and Trust and Company Service Providers

Messrs. Compliance Officers and Deputy Compliance Officers at Auditors, Dealers in Precious Metals or Precious Stones and Trust and Company Service Providers,

Greetings,

Pursuant to Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing and Law No. (27) of 2019 on Combating Terrorism;

Article (6) of the Implementing Regulations of Law No. (20) of 2019 on Combating Money Laundering and Terrorism Financing promulgated by the Council of Ministers' Decision No. (41) of 2019;

Articles (17) to (23) of the Decision of the Minister of Commerce and Industry No. (48) of 2020 Promulgating the AML/CFT Compliance Rules for Auditors, Dealers in Precious Metals or Precious Stones, Trust and Company Service Providers (hereinafter referred to as the "Rules");

Article (2) of the Decision of the Minister of Commerce and Industry No. (95) of 2019 establishing an Anti-Money Laundering and Terrorism Financing Section under Companies Affairs Department;

Circular No. (7) of 2020 on the Implementation of the AML/CFT Compliance Rules for Auditors, Dealers in Precious Metals or Precious Stones, Trust and Company Service Providers; and

Circular No. (6) of 2021 on the Implementation of the Targeted Financial Sanctions by the Implementing Parties at the Ministry of Commerce and Industry,

The Anti-Money Laundering and Terrorism Financing Section (AML/CFT Section) issued the following circular:

This circular aims at clarifying the responsibilities and tasks of the compliance officer and his deputy within the regulated entities subject to the MOCI

supervision and monitoring, being the person responsible for managing their compliance with the AML/CFT requirements stipulated in the Law, its Implementing Regulations and the Rules; and acting as the central point of contact between the regulated entity and the Qatar Financial Information Unit (QFIU), the AML/CFT Section and other competent authorities in the State for all AML/CFT related matters.

It should be noted that each regulated entity must ensure that it has permanently a compliance officer and a deputy compliance officer, whether as part of its governing body or employees. If the regulated entity is a natural person performing his activity in the form of an individual establishment or office, he shall personally undertake the senior management and the compliance officer responsibilities at the establishment or office and may appoint one of his employees as compliance officer.

If the regulated entity is a commercial company, it must appoint a compliance officer and a deputy compliance officer permanently to manage its compliance with the AML/CFT requirements, whether as part of its governing body or employees. The compliance officer and deputy compliance officer must be entrusted with the necessary powers and authority, to perform their role in an effective, objective and independent manner.

The compliance officer and deputy compliance officer must:

- 1- Have sufficient seniority, the necessary knowledge and expertise to perform their functions and act independently, including preparing reports.
- 2- Be aware of legal and supervisory responsibilities related to their functions in accordance with the Law, its Implementing Regulations and the Rules.
- 3- Be able to develop appropriate precautionary arrangements in case of their absence.
- 4- Be resident in the State.

Based on the above, and being entrusted with the responsibility to manage compliance with the AML/CFT requirements at the regulated entity, you must particularly undertake the following:

1. Develop and apply a risk-based approach to comply with the AML/CFT requirements, that is designed to identify, understand and assess money laundering and terrorism financing risks at the regulated entity; and apply policies to manage and mitigate such risks in conformity with the size and nature of its business, in a manner that enables allocating resources to higher risks areas, monitoring and keeping it up-to-date on an ongoing basis.

2. Implement adequate screening and audit procedures to ensure high standards when employing or appointing officers or employees.
3. Develop and implement an appropriate ongoing AML/CFT training programme for officers and employees.
4. Conduct ongoing and adequate assessment, review and testing, to verify the extent of compliance with policies.
5. Identify customers and determine the level of customer due diligence (CDD) measures and ongoing monitoring to be applied, including identifying the beneficial owner of the customer and taking reasonable measures to verify his identity using documents, information or data from a reliable source.
6. Ensure Effective internal and external reporting and preventing tipping-off.
7. Ensure compliance with the obligations related to keeping all records, documents and data relating to all domestic or international operations and transactions or those obtained or collected through conducting CDD measures, for at least 10 years.

In general, you are required to undertake the following, as a minimum:

1. Contribute to the development of the regulated entity's policies, overseeing their implementation, assessing their effectiveness and regularly reviewing them.
2. Monitor the implementation of the national and sectoral AML/CFT strategies.
3. Support the senior management and coordinating the ML/TF risk management issues at all the departments of the regulated entity.
4. Contribute to the development of measures that enable to address deficiencies in the AML/CFT area at the regulated entity, in light of the results of national and international studies and researches relating to the AML/CFT issues.
5. Promote a regulated entity-wide view to be taken of the need for AML/CFT monitoring and accountability.

Moreover, you are required to undertake in particular the following:

1. Receive, investigate and assess internal suspicious transaction reports.

2. Make suspicion reports and submit them to the Qatar Financial Information Unit (QFIU).
3. Notify the AML/CFT Section of the submission of suspicion reports to the QFIU. Notification must not include any information or details about the content of the reports.
4. Act as central point of contact between the regulated entity, the QFIU, the AML/CFT Section and other competent authorities in the State, in relation to AML and CFT issues.
5. Respond immediately to any request for information by the QFIU.
6. Respond to any request for information by the AML/CFT Section, necessary to enable it to perform its functions.
7. Keep the deputy compliance officer informed of any significant AML/CFT developments, whether internal or external.
8. Inform the regulated entity's senior management of any instructions, circulars or guidance issued by the Ministry of Commerce and Industry in the AML/CFT area.
9. Follow up and coordinate with the senior management and the AML/CFT Section in relation to the implementation of targeted financial sanctions.

As a compliance officer, you must act honestly and independently, and must be diligent to the extent possible, specifically in any of the following cases:

1. Upon receiving, reviewing and assessing internal STRs
2. Upon making a decision with regard to submitting an STR to the QFIU, and upon drafting the report.

Upon receiving an STR, you are required to promptly perform the following:

1. In case of a verbally received STR, where the regulated entity's applicable policies allow a report to be made orally, you must appropriately record the report.
2. Provide an acknowledgement receipt to the officer or employee who made the report, emphasizing on the provisions related to tipping-off.
3. Consider the report and decide whether the transaction is suspicious, without delay.

In cases where it comes to your or your Deputy's knowledge, in the course of your activity or while performing your functions; or when you believe that there is a suspicion or there are reasonable grounds to suspect that the funds are associated with the proceeds of a predicate offence or generated from a predicate offence or associated to terrorism financing, you must immediately submit a suspicion report to the QFIU. A suspicion report must be made according to the the form prepared by the QFIU for this purpose.

In this case, you are required to submit the suspicion report to the QFIU, irrespective of the following:

1. Whether or not an internal STR has been submitted.
2. Value of the transaction or operation.
3. Whether or not the transaction involves tax-related matters.
4. Whether or not a transaction or the attempt to conduct a transaction has been, or will be, conducted.
5. Whether or not a regulated entity has suspended any business relationship with the customer.
6. Whether or not the attempted ML or TF has failed.

You must keep and maintain records including the following:

1. Details related to each internal STR received.
2. Details showing compliance with the provisions of Article (75) of the Rules.
3. Details related to each suspicion report submitted to the QFIU.

You are also required to provide the senior management with an annual report on AML/CFT matters, within four (4) months from the end date of each financial or fiscal year of the regulated entity, to enable the senior management to carry out the AML/CFT requirements in accordance with the Law, its Implementing Regulations and these Rules. The annual report must include, as a minimum, the following:

- 1- The assessment of the adequacy and effectiveness of the regulated entity's applicable policies in preventing money laundering and terrorism financing;

- 2- The number and types of internal suspicious transaction reports made to the compliance officer;
- 3- The number of suspicion reports submitted by the compliance officer to the Unit;
- 4- The reasons why suspicion reports have or have not been prepared or submitted to the Unit in relation to transactions on which the compliance officer received a suspicious transaction reports;
- 5- The number and types of breaches by the regulated entity of the provisions of the Law, its Implementing Regulations and these Rules, or the regulated entity's applicable policies;
- 6- Areas where the regulated entity's applicable policies and programmes should be improved, and adequate proposals for avoiding deficiencies in the AML/CFT areas;
- 7- A summary of the AML/CFT training delivered to the regulated entity's officers and employees, and proposals for making appropriate improvements to the training programmes.
- 8- A statement of customers of the regulated entity who are categorised as high risk, taking into account the findings of the National Risk Assessment and the business risk assessment stipulated in Article (24) of these Rules;
- 9- Progress in implementing any AML/CFT action plans;
- 10- The outcome of any relevant quality assurance or audit reviews in relation to the regulated entity's applicable policies.

The deputy compliance officer temporarily acts as the compliance officer during absences of the compliance officer and whenever there is a vacancy in his position. When the deputy compliance officer acts as compliance officer, all rules apply in relation to the deputy compliance officer as if he were the compliance officer.

Kindly visit the webpage of the AML/CFT Section on the following link: [Anti-Money Laundering and Terrorism Financing Section – Ministry of Commerce and Industry - https://www.moci.gov.qa](https://www.moci.gov.qa) to access the Guidance and useful links that will assist you in performing your responsibilities in managing the compliance of regulated entities with the AML/CFT requirements and reporting suspicious transactions.

To ensure implementation of your obligations referred to above, you may also contact the AML/CFT Section via the following email address: control.aml@moci.gov.qa or through directly contacting the staff of the Section under the Companies Affairs Department at the MOCI, at the following address: The Ministry of Commerce and Industry, Second Floor, Lusail City, Qatar.

In the event of failure to comply with these requirements, the regulated entity will be subject to administrative and financial penalties pursuant to Article (44) of Law No. (20) of 2019 on Combatting Money Laundering and Terrorism Financing, in addition to the sanctions stipulated in the said Law.

Kind Regards,

Salem Bin Salem Al Mannai
Director of the Companies Affairs Department

Copy to:

- NAMLC Secretary
- H.E. Assistant Deputy of Commerce Affairs

Issued on 23/11/2021